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ANNUAL REPORT TO STOCKHOLDERS



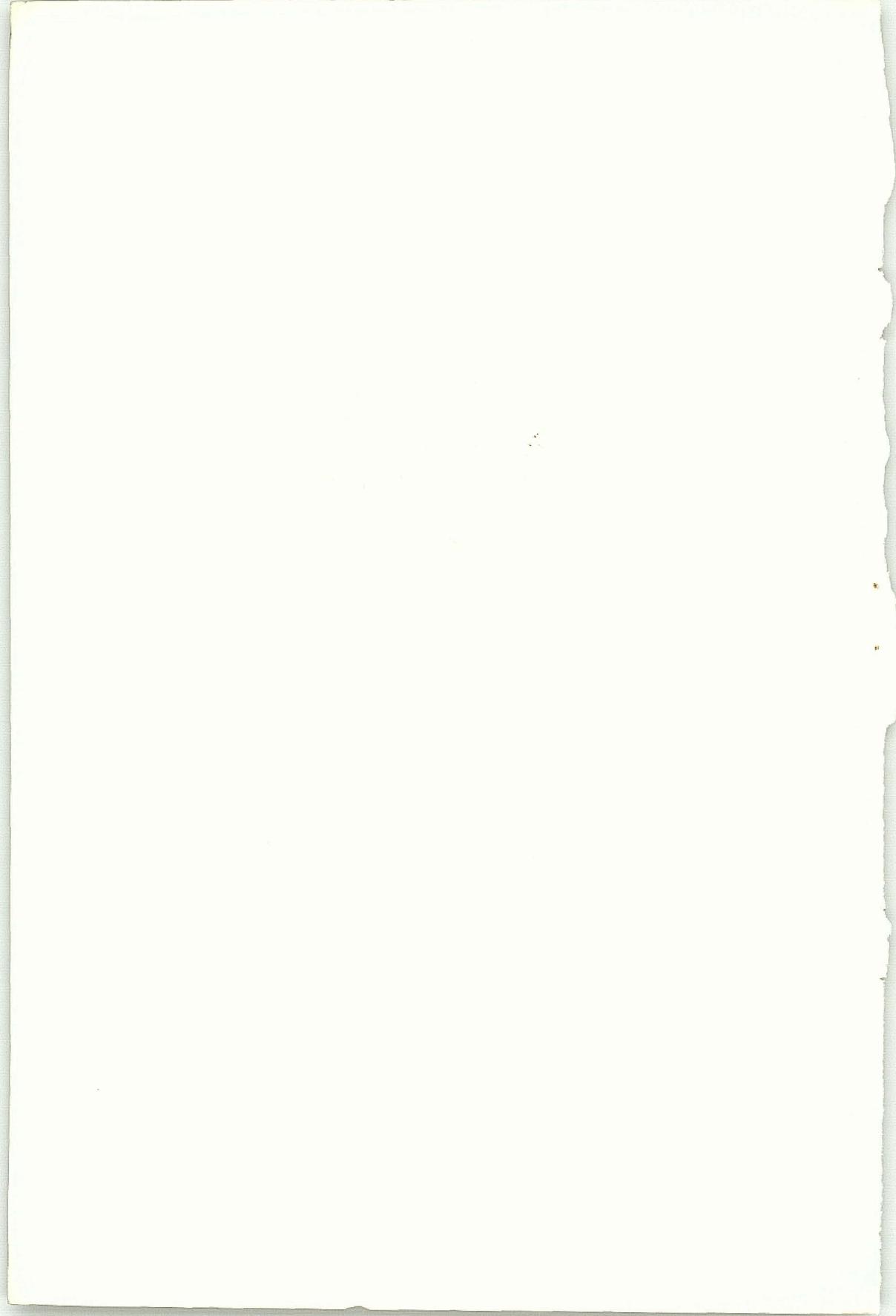
1955

THE COCA-COLA COMPANY
NEW YORK, NEW YORK

BOARDS

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ANNUAL REPORT
THE COCA-COLA COMPANY
AND ITS SUBSIDIARIES



FOR THE YEAR
1955

THE COCA-COLA COMPANY

BOARD OF DIRECTORS

H. B. NICHOLSON, *Chairman*

A. A. ACKLIN	LINDSEY HOPKINS	HUGHES SPALDING
CHAS. H. CANDLER	J. P. ILLGES	E. W. STETSON
R. R. DEUPREE	HARRISON JONES	D. A. TURNER
A. B. FREEMAN	WINSHIP NUNNALLY	GEORGE W. WOODRUFF
BERNARD F. GIMBEL	WILLIAM E. ROBINSON	R. W. WOODRUFF

OFFICERS

WILLIAM E. ROBINSON	President
CHARLES W. ADAMS	Vice President
FELIX W. COSTE	Vice President
EDGAR J. FORIO	Vice President
CURTIS H. GAGER	Vice President
C. W. HODGSON	Vice President
HOLLAND B. JUDKINS	Vice President
O. E. MAY	Vice President
B. H. OEHLMER, JR.	Vice President
HAROLD S. SHARP	Vice President
E. D. SLEDGE	Vice President
JOHN C. STATON	Vice President
JOHN D. GOODLOE	Secretary
EDMUND W. PUGH, JR.	Treasurer

TRANSFER AGENTS

WILMINGTON TRUST COMPANY
Wilmington, Delaware

GUARANTY TRUST COMPANY OF NEW YORK
New York, New York

TRUST COMPANY OF GEORGIA
Atlanta, Georgia

REGISTRARS

EQUITABLE SECURITY TRUST COMPANY
Wilmington, Delaware

THE CHASE MANHATTAN BANK
New York, New York

THE FIRST NATIONAL BANK OF ATLANTA
Atlanta, Georgia

THE COCA-COLA COMPANY

NEW YORK, NEW YORK

March 5, 1956

To STOCKHOLDERS OF
THE COCA-COLA COMPANY:

Net Profit for 1955 was \$27,484,483, or \$6.44 per share, after taxes and all other charges. This was an increase of \$1,540,638, or 37¢ per share, over net profit for 1954.

Gallon sales for 1955, both in the U.S. and world-wide, reached the highest level in the Company's 70-year history. This was largely the result of increased volume produced by the new bottle sizes and by Pre-Mix, which more than offset losses in a number of markets where Bottlers' prices were raised.

King and Family Size Bottles

Early in 1955, market tests of the King Size and the Family Size bottles were launched in ten Company-owned bottling plants in the East, Middle West, and Far West. Results were so encouraging that in May we decided to qualify independent Bottlers for participation in tests in other areas.

By the end of the year, 40% of our Bottlers had introduced either one or two new sizes, and by the end of 1956 we expect this number will approximate 85%.

The new bottles are also being successfully marketed in Canada, Mexico, the Philippines and several other foreign countries.

In merchandising the King and Family Size bottles, we are bearing in mind that this new line of packages was developed to suit a wide range of consumer activities. A thirsty teenager, or an adult doing hard physical labor, can make short work of a King Size. Meanwhile other members of the family will find complete satisfaction in the contents of the Standard Bottle. At mealtime or for parties, the Family Size is ready to provide just the amount desired.

The Bottlers were urged to cultivate each market, to the end that there would always be at least two bottle sizes of Coca-Cola in every consumer refrigerator — one of these being our old reliable, the Standard Package. Constant availability is just as important in homes as it is on the retail shelf. Two or three package sizes assure more availability than one.

Pre-Mix

Another important development of 1955 was the introduction of the "Pre-Mix" machine. This refrigerates and dispenses into cups the beverage Coca-Cola prepared and packaged in bulk by the local Bottler.

Pre-Mix dispensers have particular application to locations where paper cups are more suitable than bottles — and to those places where a cup drink is preferred, but where there is no water connection. These new dispensers are produced in several types: coin-control vending units for fixed locations, counter units and small carry-pack units.

The significance of this new equipment is that, together with other means of distribution, it now enables the Bottler to make Coca-Cola available in every segment of his market. Since Bottlers generally place Pre-Mix equipment where Coca-Cola has not previously been available, sales through these machines constitute plus business. At the same time, Pre-Mix distribution marks one more step in the Company's continuous pursuit of optimum availability — that is, Coca-Cola within arm's reach of everybody who wants Coca-Cola — whenever and wherever that may be.

Color pictures of the new King Size and Family Size bottles, and of representative Pre-Mix dispensers will be found in this report, pages 11 through 14.

Advertising

The character and the volume of Coca-Cola advertising over the years have been major factors in the continued growth of the Company. The public presentation of Coca-Cola has, we believe, reflected a quality and integrity which have had a beneficial effect on the whole soft drink industry. However, the need for expanded promotion of Coca-Cola, together with rising costs of such activity, have brought a marked increase in this category of expense.

At the present time, domestic advertising effort for Coca-Cola includes use of national magazines, Eddie Fisher on "Coke Time" and a portion of the Mickey Mouse Club on television.

In addition, many millions of dollars a year are invested in a cooperative marketing program with our Bottlers, using local advertising media, such as newspapers, posters, television, radio, etc. In administering this program, we work closely with the Bottlers as they develop their own advertising plans.

With the dual objective of still further improving the effectiveness of this work with the Bottlers, and also in order to coordinate and strengthen the Company's advertising and merchandising operations in relation to the new developments in our business, we have recently reorganized the Company's sales operations.

Effective March 31, 1956, McCann-Erickson, Inc., has been designated the official advertising agency for The Coca-Cola Company. For more than ten years, McCann-Erickson has handled The Coca-Cola Export Corporation account in Latin America. With offices in many cities throughout the world, and regional offices throughout the United States, this agency is in a position to serve the Company on a world-wide basis.

Fountain Sales Department

Our Fountain Department continues to expand its sales and service operations with gratifying results. The number of fountain outlets was increased in 1955 and sales reached an all-time high.

Foreign Operations

Our foreign business continues to show a healthy growth. Assuming no deterioration of general conditions abroad, our gains should continue uninterrupted for the foreseeable future. In 1955 nineteen new bottling plants were established. It is expected that we shall add others during 1956. As noted previously, our foreign business reached an all-time high in 1955.

Conclusion

The expanded development at home and abroad of the King and Family Size bottles and Pre-Mix, together with the continued vigorous promotion of the Standard Size bottle and our fountain operations, should ensure the healthy and constant growth of our business.

For the Board of Directors,

WILLIAM E. ROBINSON,
President

H. B. NICHOLSON,
Chairman, Board of Directors

CONSOLIDATED
THE COCA-COLA COMPANY AND
December

ASSETS

CURRENT:

Cash	\$ 26,910,311
Government securities—at cost:	
United States and Canadian (market price \$54,625,664)	54,595,198
Trade accounts receivable (less allowance of \$69,363)	14,735,398
Inventories (at lower of average cost or market)	29,950,771
TOTAL CURRENT ASSETS.....	\$126,191,678

MISCELLANEOUS RECEIVABLES AND INVESTMENTS..... 8,811,777

PROPERTY, PLANT AND EQUIPMENT:

At cost:

Land	\$ 4,601,236
Buildings	39,193,799
Machinery and equipment.....	53,190,359
Containers	15,193,255
	<hr/>
	\$112,178,649

Less allowance for depreciation..... 47,115,283 65,063,366

FORMULAE, TRADE-MARK AND GOODWILL—at cost..... 40,091,427

DEFERRED CHARGES

\$244,186,892

Notes to Financial

BALANCE SHEET
ITS CONSOLIDATED SUBSIDIARIES
31, 1955

LIABILITIES

CURRENT:

Accounts payable and accrued accounts.....	\$ 17,111,547
Notes payable by subsidiaries.....	133,529
Accrued taxes—including taxes on income	\$ 30,394,817
Less U. S. Government securities for payment of income taxes.....	21,279,455 9,115,362
 TOTAL CURRENT LIABILITIES.....	 \$ 26,360,438

RESERVES:

For unremitted foreign profits.....	\$ 28,815,020
For employees' retirement plan.....	555,493 29,370,513
 MINORITY INTERESTS IN SUBSIDIARIES.....	 372,932

CAPITAL STOCK AND SURPLUS:

Common Stock—no par value:

Authorized	5,000,000 shares
Issued	4,280,805 shares \$ 26,755,031
Capital surplus	1,825,112
Earned surplus	161,023,406
 Less 15,027 shares of stock owned by Company—at cost	 \$189,603,549
1,520,540	188,083,009
 \$244,186,892	

Statements appear on Page 9.

THE COCA-COLA COMPANY AND ITS CONSOLIDATED SUBSIDIARIES
Year Ended December 31, 1955

CONSOLIDATED PROFIT AND LOSS STATEMENT

GROSS PROFIT	\$144,686,086
Selling, administrative and general expenses.....	85,421,966
OPERATING PROFIT	\$ 59,264,120
Other deductions	\$ 4,030,922
Less other income	2,941,531 1,089,391
PROFIT BEFORE TAXES ON INCOME.....	\$ 58,174,729
Provision for taxes on income.....	30,668,000
	\$ 27,506,729
Less portion of subsidiary earnings applicable to minority interests.....	22,246
NET PROFIT	\$ 27,484,483

CONSOLIDATED EARNED SURPLUS ACCOUNT

Balance—December 31, 1954.....	\$154,874,713
Net profit for the year 1955.....	27,484,483
	\$182,359,196

DEDUCTIONS

Dividends paid in cash:

Mar. 31, 1955—\$1.00 per share.....	\$ 4,280,805
June 30, 1955—\$1.00 per share.....	4,280,805
Sept. 30, 1955—\$1.00 per share.....	4,280,805
Dec. 14, 1955—\$1.00 per share plus \$1.00 per share additional.....	8,561,610
	\$21,404,025

Less dividends on shares

owned by Company during year.....	68,235 21,335,790
EARNED SURPLUS—DECEMBER 31, 1955.....	\$161,023,406

Notes to Financial Statements appear on Page 9.

NOTES TO FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET:

1. *Foreign Operations.* The accounts of subsidiaries and branches operating in foreign countries, consolidated in this balance sheet, consist of: current assets, \$31,267,843 (including cash and government securities aggregating \$17,331,056); property, plant and equipment at depreciated cost, \$24,367,413; other assets, \$3,071,699; and liabilities, \$13,658,349. Fixed assets are stated at rates of exchange prevailing at dates of acquisition and all other assets and liabilities at approximate rates of exchange prevailing at December 31, 1955. Unremitted profits of such subsidiaries and branches, consolidated herein, are included as follows: \$28,815,020 in the reserve for unremitted foreign profits and \$6,139,190 in earned surplus.

2. *Capital Stock.* The Company has reserved 225,000 shares of either or both treasury and authorized but unissued Common Stock for sale under employees' stock options. Options for up to ten years each (including one option for 25,000 shares for 5 years) were granted at various dates during 1955 to certain officers and employees of the Company and its subsidiaries to purchase 143,933 shares of Common Stock of the Company at the market price on the granting dates. At December 31, 1955, options were outstanding in respect to 25,000 shares at \$117.25 per share, 99,996 shares at \$121.1875 per share, 3,000 shares at \$137.25 per share, 15,569 shares at \$127.00 per share and 368 shares at \$124.75 per share. No portion of these options was exercisable during 1955.

CONSOLIDATED PROFIT AND LOSS STATEMENT:

3. *Depreciation.* Provision for depreciation in the amount of \$6,158,497 was charged to manufacturing and other expenses.

4. *Other Deductions.* Includes interest paid \$28,337; addition to reserve for unremitted foreign profits \$1,523,497; and addition to reserve for employees' retirement plan \$13,762, against which reserve has been charged \$285,084, the amount funded during the year.

5. *Foreign Profits Remitted.* Dividends from companies operating in foreign countries, the current profits of which are not reserved for, were \$2,646,093 less than the profits of such companies consolidated herein.

ACCOUNTANTS' REPORT

TO THE BOARD OF DIRECTORS
THE COCA-COLA COMPANY
NEW YORK, NEW YORK

We have examined the consolidated financial statements of THE COCA-COLA COMPANY and its consolidated subsidiaries as of December 31, 1955. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of profit and loss and earned surplus present fairly the consolidated position of THE COCA-COLA COMPANY and its subsidiaries at December 31, 1955, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST
Certified Public Accountants

March 5, 1956

Dramatic New
Developments



New Look FOR COCA-COLA COOLERS

Bottle coolers and vending
machines of all types and sizes
restyled for maximum
sales appeal.



80-Bottle Capacity



144-Bottle Capacity





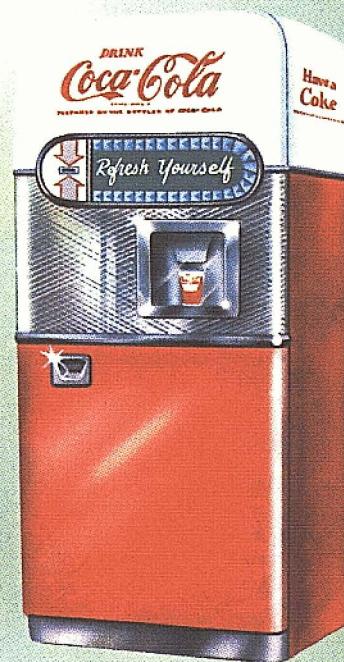
Counter Unit

Pre-mix FOR GREATER MARKET CULTIVATION

A new method of dispensing Coca-Cola which opens up new sales opportunities for Bottlers. Coke in stainless steel tanks, filled and sealed at the Coca-Cola bottling plant... served in distinctive paper cups.



The Carry-Pack



Cup Vendor



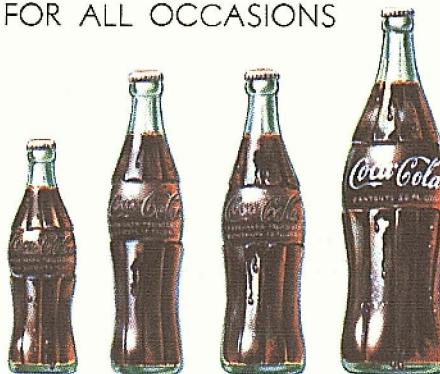
Standard



King-12

Bottles

FOR ALL OCCASIONS



King-10

Now, in addition to the familiar Standard Package . . .
 the King Size, 10 ounces or 12 ounces,
 for a larger home package or a King Size thirst . . .
 and the 26-ounce Family Size, singly
 or in cartons of two and four, for mealtime,
 party, picnic and other occasions.



Family Size



